Introduction

• Welcome to the California Department of Tax and Fee Administration’s (CDTFA) *Tax Insights Quarterly*, an update on California’s tax data from the Department’s Research and Statistics team.

• This quarterly update evolved from an internal analysis to the current format we are pleased to share with you. We hope you find it useful.

• CDTFA collects over $70 billion per year to fund essential services for the world’s fifth largest economy. Our 37 tax and fee programs range from sales and use tax, to fuel, and cannabis tax.

• We will update you quarterly with our observations and we appreciate your feedback. Enjoy *Tax Insights Quarterly!"
Sales & Use Tax: Overall Cash Receipts

After a significant decline in April and May 2020, cash receipts have largely recovered.

Data as of: 3/29/21
1. Represents cash receipts (not tax return data). Excludes DMV payments, FTB payments, and other adjustments.
2. Most taxpayers received an additional 3-months to file and pay in 1Q20, 2Q20, 4Q20 and 1Q21.
Sales & Use Tax: A Tale of Two Industries

While overall cash receipts have largely recovered since the summer, there are clear outperforming and underperforming industries.

1. In 2019 AB-147 expanded California’s ability to collect sales taxes from online retailers.
Sales & Use Tax: Taxable Sales Concentration

The largest taxpayers have recently increased their share of taxable sales relative to all other taxpayers.

Taxpayer size by quarterly taxable sales: >$500M</td> <td>$<500M</td>

<table>
<thead>
<tr>
<th>3Q19 Percent Share of Taxable Sales</th>
<th>3Q20 Percent Share of Taxable Sales</th>
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</thead>
<tbody>
<tr>
<td>$24.3bn (13.2%)</td>
<td>$32.8bn (18.1%)</td>
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<tr>
<td>Total: $183.5bn</td>
<td>Total: $180.6bn</td>
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<tr>
<td>$159.2bn (86.8%)</td>
<td>$147.8bn (81.9%)</td>
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1. 2020-Q3 data are preliminary.
Local Government Allocations

CDTFA disburses over $18 billion to 1,000+ local jurisdictions each year. Relative to 2017-2019, 2020 had more divergent outcomes.

1. Data represents the percent change in allocation amount for jurisdictions from Q2 and Q3 of the prior year.
2. Excludes jurisdictions with a change in allocation amounts more than 3 standard deviations from the mean. Jurisdictions with a percent change less than -50% or more than 50% are reflected in aggregate at opposite ends of the x-axis.
Additional Resources

CDTFA Open Data Portal
https://www.cdtfa.ca.gov/dataportal/

CDTFA Data Visualizations
https://www.cdtfa.ca.gov/dataportal/visual.htm

CDTFA Research and Statistics Email
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